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27 JUL 1966

NOTE TO : C/BSO

SUBJECT: Attached Letter From Mr. Conway

As you recall, I had a lengthy discussion, among other things, with Mr. Conway and Mr. Premo regarding the subject of amending the contract to preclude custodial care.

We have no cases running at the present time involving older people but we do have two child cases of the mongoloid type. It is our opinion that this does not affect our plan enough to be concerned with this suggested change. I discussed this matter with Gordon Peterson and he agrees that it is strictly up to us and even if they went along with Conway's suggestion, they would not add the entire paragraph he has suggested but would only add two words, under exclusions "custodial care". If this were done, it would still leave up to our interpretation of those two words. NSA and another plan have decided not to change.

In view of the above, I am, this morning, calling Mr. Conway to advise him that we do not desire to change the contract in any way concerning this subject.



DC/BSO

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for
**Mutual
OF OMAHA**



your good neighbor

MUTUAL OF OMAHA INSURANCE COMPANY

V. J. SKUTT
CHAIRMAN OF THE BOARD

D. D. ULFERS
PRESIDENT

HOME OFFICE OMAHA, NEBRASKA

WASHINGTON, D.C., REGIONAL GROUP OFFICE
SUITE 1215, 1750 PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20006
298-8084

NORMAN C. CONWAY
MANAGER

July 11, 1966

[Redacted]
Government Employees Health Association
Post Office Box 463
Washington, D.C.

Dear [Redacted]

Attached is a copy of my July 8, 1966 letter to Gordon Petersen concerning custodial care.

I believe the letter is self-explanatory; however, if you have any questions or suggestions, please contact me.

Sincerely,

N. C. Conway
Norman C. Conway
Regional Manager

Attachment
NCC:jhh

Mutual
OF OMAHA



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298 8084

NORMAN C. CONWAY
MANAGER

July 8, 1966

Mr. Gordon Petersen
United States Civil Service Commission
1900 E Street, N.W.
Washington, D.C.

Health Benefits Contracts

Dear Mr. Petersen:

All of our health benefits contracts, as well as the two government-wide contracts, state that benefits are payable only for injury or sickness. It was never our intention, nor do we desire, to provide benefits for custodial care of mentally or physically disabled insureds when such disability is the result of retarded development or body infirmity, even when such care is provided by a hospital.

We, therefore, suggest that this point be clarified in the new printing of the brochures by the inclusion under the exclusions of a provision similar to that contained in the two government-wide contracts, eg.:

Custodial care -- with or without routine nursing care, training in personal hygiene and other forms of self care, or supervisory care by a doctor -- for a person who is mentally or physically disabled as a result of retarded development or body infirmity and who is not under specific medical, surgical or psychiatric treatment to reduce his disability

Mr. Petersen

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July 8, 1966

to the extent necessary to enable him to live outside an institution providing medical care. This exclusion applies even when the care is provided by a hospital. However, if confinement in a hospital is required because of a concurrent condition (whether related or not) which does require medical or surgical treatment by a doctor, the difference between the normally allowable hospital expenses and the customary charge for custodial care will be considered as allowable expense.

I have written to all of our policyholders advising them of this clarification and invite their comments, if any.

Sincerely,

Norman C. Conway
Regional Manager

mcc:jhh